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DEPARTMENT FOR EUR/NCE DAVID KOSTELANCIK AND MICHELLE
LABONTE

E.O. 12958: DECL: 04/02/2012
TAGS: [PREL](#) [PGOV](#) [PHUM](#) [HU](#)
SUBJECT: SCENESETTER FOR CODEL LOWEY'S VISIT TO BUDAPEST

Classified By: POL/C ERIC V. GAUDIOSI; REASONS 1.4 (B) AND (D)

¶1. (U) Embassy Budapest looks forward to your visit and provides the following information in preparation for your arrival.

¶2. (C) Domestic politics continue to dominate Hungary's public discourse. Parliament is back in session to open what all regard as a critical year, and the parties are evaluating the impact of renewed demonstrations March 15 following large-scale protests against the government of Prime Minister Ferenc Gyurcsany. Recently elected as President of the Hungarian Socialist Party (MSZP), Gyurcsany still faces strong opposition from without ... and often only tepid support from within. With former PM Viktor Orban still at the helm of the opposition FIDESZ party despite reported challenges to his leadership from others in the party, the opposition continues its calls for the government to step down and refers to a referendum to be held this fall as the government's last chance to "heed the will of the people."

¶3. (C) With the exception of energy security, which FIDESZ has seized as a priority, foreign policy issues are still conspicuous in their absence from partisan domestic disputes. There is virtually unanimous support for Hungary's acceptance to the Visa Waiver Program (VWP): you will likely hear that Hungary is working hard to address the issues highlighted in our bilateral road map and looking forward to a positive decision from the US.

¶4. (C) Hungary remains selectively active on key issues such as the Balkans, where Hungary's broad support for our efforts to resolve the issue of Kosovo status are tempered by concerns regarding Serbia's Euro-Atlantic integration and the potential impact on ethnic Hungarian minorities throughout the region. Relations with Moscow are increasingly in the spotlight given Hungary's dependence on Russia for energy and in light of the European debate over US Missile Defense plans. While EU membership allows the GOH to default to the consensus position on many issues, there is growing ambivalence about the value of EU membership among many Hungarians. This is particularly true when faced with issues such as the current austerity measures included in the government's controversial "convergence plan," which caused a 6.4% decrease in real wages in January. As a result, more and more Hungarians regard the EU as a source of needless regulations rather than endless resources. Hungary is also working to promote a democratic transition in Cuba, but often chooses to fly under the radar in their activism and has been criticized for overpromising and underdelivering. A welcome exception to this trend has been their engagement in Afghanistan, where they are leading a Provincial Reconstruction Team in Baghlan Province and will welcome our recognition. They have also deployed forces to the NATO Training Mission in Iraq and to international missions in Kosovo, Bosnia, Lebanon, and Cyprus.

15. (C) We are awaiting word on how you would like to use your available time while in Budapest, but would propose a trip to the Hungarian Parliament or a meeting with President Laszlo Solyom on the afternoon of April 12.

- A meeting at Parliament would likely include discussion of the Visa Waiver Program, which remains a priority for all Hungarians. Under Parliamentary Speaker Katalin Szili, the legislative branch has worked to raise its profile in foreign affairs through frequent travel and legislative outreach. Szili invited Speaker Pelosi to attend a June meeting of Balkan parliamentarians in Budapest during her recent trip to Washington.

- A meeting with President Laszlo Solyom would likely include discussions on Balkans and Visa Waiver, an issue of central interest to Solyom's office. A former Supreme Court Justice, Solyom is often privately at odds with PM Gyurcsany and has developed an independent and often divergent approach to foreign affairs.

16. (U) We are also preparing a reception in your honor at the Ambassador's residence that evening. It will include invitees from both the government and the opposition who represent the issues listed above.

17. (U) We look forward to welcoming you in person.
FOLEY